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Attorneys for Creditor
CITY OF SANTA CRUZ

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re:
PG&E CORPORATION,

- and -

PACIFIC GAS AND ELECTRIC
COMPANY,

Debtors.

Bankruptcy Case No. 19-30088 (DM)

Chapter 11

(Lead Case) (Jointly Administered)

**DECLARATION OF DEBRA ALLEN IN
SUPPORT OF CITY OF SANTA CRUZ'S
OPPOSITION TO REORGANIZED DEBTORS'
SIXTY-SECOND OMNIBUS OBJECTION TO
CLAIMS (BOOKS AND RECORDS CLAIMS)**

[Related to Dkt. No. 10287]

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

** All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

Hearing Information:

Date: April 7, 2021
Time: 10:00 a.m. (Pacific Time)
Place: (Telephonic Appearances Only)
United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102

I, DEBRA ALLEN, declare as follows:

1. I am a Collections Specialist for the City of Santa Cruz ("CITY"), a claimant in the above-referenced case. As the Collections Specialist, I have reviewed and am the person most knowledgeable

1 with the CITY's business records with respect to the claim at issue in the Objection and Opposition. This
2 declaration is submitted in support of the CITY's Opposition ("Opposition") to the Reorganized Debtors'
3 Sixty-Second Omnibus Objection to Claims (Books and Records) [Dkt. No. 10287] (the "Objection").

4 2. I have personal knowledge of the facts set forth in this declaration. If called upon to
5 testify as to those facts and to authenticate the exhibits referenced therein, and in this declaration, I could
6 competently do so.

7 3. The CITY owns several parcels of property, commonly known as the Scott's Valley
8 Skypark, 361 Kings Village Road, Assessor's Parcel Numbers 022-721-07-000, 022-721-08-000, and
9 022-721-09-000 (the "Property").

10 4. On or about September 6, 2018, the CITY agreed to license use of the Property to PG&E
11 to conduct wildfire risk reduction operations, including but not limited to, establishing a staging area to
12 support the command, control and coordination of wildfire risk reduction. (the "Letter Agreement"). The
13 Letter Agreement set forth a term commencing September 10, 2018 and expiring on November 12,
14 2018. A true and correct copy of the Agreement is attached as Exhibit A.

15 5. On or about November 16, 2018, the CITY and PG&E amended the Letter Agreement to
16 provide for compensation for use of the Property (the "Amendment"). Pursuant to the Amendment,
17 PG&E agreed to pay one thousand four hundred dollars (\$1,400.00) per week as compensation for use
18 of the Property between September 10 through November 12, 2018, and two thousand five hundred
19 (\$2,500.00) dollars per week as compensation for use of the Property between November 12 and
20 December 10, 2018. A true and correct copy of the Amendment is attached as Exhibit B.

21 6. In or about December 2018, PG&E continued to use the Property for its operations
22 stored equipment and facilities on the Property subject to the Letter Agreement and Amendment.

23 7. I am aware that as part of the regular business records relating to the CITY's license of its
24 Property to PG&E, on or about January 18, 2019, Emad Gholmani of PG&E acknowledged to the City
25 that PG&E remained on the property conducting continued operations beyond the term stated in the
26 Amendment with the understanding and expectation that the City would issue further invoices to PG&E,
27
28

1 as was done previously. A true and correct copy of PG&E's emails to the City on its continuing payment
2 obligation is attached as Exhibit C.

3 8. In or about early March 2019, the CITY sent an invoice to PG&E, totaling \$18,214.28 for
4 PG&E's use of the Property from December 10, 2018 until January 29, 2019. PG&E has not provided
5 payment or stated a reason why it refuses to pay. A true and correct copy of the invoice is attached as
6 Exhibit D.

7 9. On or about April 29, 2019, I prepared and submitted a claim with this court seeking
8 payment from PG&E for the outstanding amounts owed to the CITY.

9 10. After accounting for PG&E's voluntary payments following the filing of the claim,
10 PG&E currently owes the CITY in the amount of \$18,216.78, consisting of unpaid license agreement
11 fees and a returned check fee.

12 I declare under penalty of perjury that the foregoing is true and correct. Executed on March 23,
13 2021, in Santa Cruz, California.


14
15 
16 DEBRA ALLEN

EXHIBIT A



Vanessa Brown – EMAP Base Camp
Consultant
PG&E – Land Acquisition
245 Market St, San Francisco CA 94105
415-973-8030
Vfb3@pge.com

September 6, 2018
337 Locust Street
Santa Cruz, CA 95060

RE: Temporary License for Use of Scotts Valley Skypark
Scotts Valley Airport (Skypark), 361 Kings Village Rd, Scotts Valley, CA 95066

Dear Ms. Lipscomb:

Public records indicate that you are the owner of the parcel of land referenced above. Pacific Gas and Electric Company (“**PG&E**”) would like to memorialize its temporary use of your parcel (“**Property**”), commencing September 10, 2018, as a support site in connection with PG&E’s Accelerated Wildfire Risk Reduction effort, *and terminating November 12, 2018, Am*

This letter (“**Letter Agreement**”) sets forth the terms and conditions of PG&E’s temporary use of the “**License Area**” outlined in red on the attached drawing labeled “**Exhibit A**”. When countersigned by PG&E and returned to you, this Letter Agreement shall serve to memorialize your grant of a temporary license to PG&E. This Letter Agreement supersedes all previous oral and written agreements between and representations by or on behalf of the parties and constitutes the entire agreement of the parties with respect to the subject matter hereof. This Letter Agreement may not be amended except by a written agreement executed by both parties.

PG&E will use the License Area in connection with its wildfire risk reduction operations in the area. PG&E and its employees, contractors, agents and representatives (“**PG&E Representatives**”) may enter the License Area for the sole purpose of establishing a staging area to support the command, control and coordination of wildfire risk reduction, which may include the staging of vehicles, the landing of helicopters, and the storing of equipment, supplies and materials used in connection with PG&E’s electric and gas utility operations and vegetation management (“**PG&E’s Activities**”). The use shall not include auto/equipment maintenance, fueling, engine repair or oil changes.

INDEMNIFICATION AND DEFENSE - GENERAL. PG&E shall indemnify, defend and hold harmless City and its officers, employees and agents, from and against any and all claims, losses, liabilities, or damages, including payment of attorneys’ fees, whether for personal injury or property damage, rising out of or in any way directly or indirectly related to or resulting from the its use of the License Area, or any action or activity of PG&E or its officers, employees, or agents relating to the performance of the terms of this Letter Agreement, irrespective of whether caused in part by City, its officers, agents or employees, except where City’s actions are caused by the City’s willful misconduct or sole negligence. In connection herewith, PG&E acknowledges that the License Area have been determined to contain soils contamination as a result of migration from a nearby discontinued dry cleaning operation, which contamination contains chemicals or other substances known to be hazardous to human health and safety. By initialing below, PG&E acknowledges that it has been informed of said contamination, that PG&E assumes all risk of damages or liability associated therewith, including but not limited to liability associated with exposure to said materials by PG&E, its officers, employees, agents, contractors, invitees

or guests, and agrees to indemnify, defend and hold City, its officers, employees and agents harmless therefrom.

Initials: PG&E: _____

INDEMNIFICATION – HAZARDOUS SUBSTANCES. PG&E expressly agrees to and shall indemnify, defend (with counsel approved by you, which approval shall not be unreasonably withheld), release and hold you, its officers, officials, agents and employees harmless from and against any liability, loss, fine, penalty, fee, charge, lien, judgment, damage, entry, claim, cause of action, suit, proceeding (whether legal or administrative), remediation, response, removal, or clean-up and all costs and expenses associated therewith, and all other costs and expenses (including, but not limited to, attorneys' fees, expert fees, and court costs) in any way related to the disposal, treatment, transportation, manufacture, or use of any Hazardous Substances on, in, under, or about the Property by PG&E, or its respective officers, directors, agents, subcontractors, servants, or employees, or by any other third party acting under the control or request of PG&E, other than you and your respective officers, agents, servants, or employees. This indemnity, defense and hold harmless obligation shall survive the expiration or termination of this License Agreement.

Hazardous Substances shall mean any (a) substance, product, waste or other material of any nature whatsoever which is or becomes listed, regulated, or addressed pursuant to CERCLA, 42 U.S.C. § 9601, et seq.; The Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq. ("RCRA"); The Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; The Clean Water Act, 33 U.S.C. § 1251, et seq.; The Hazardous Waste Control Act, California Health and Safety Code ("H. & S.C.") § 25100, et seq.; the Hazardous Substance Account Act, H. & S.C. § 25330, et seq.; the California Safe Drinking Water and Toxic Enforcement Act, H. & S.C. § 25249.5, et seq.; Underground Storage of Hazardous Substances H. & S.C. § 25280, et seq.; the Carpenter-Presley-Tanner Hazardous Substance Account Act (H & S.C. § 25300 et seq.); The Hazardous Waste Management Act, H. & S.C. §§ 25170.1, et seq.; Hazardous Materials Response Plans and Inventory H. & S.C. § 25001 et seq.; or the Porter-Cologne Water Quality Control Act, Water Code § 13000, et seq., all as amended, or any other federal, state or local statute, law, ordinance, resolution, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect, (b) any substance, product, waste or other material of any nature whatsoever which may give rise to liability under any of the above statutes, (c) petroleum, crude oil or any substance which contains gasoline, diesel fuel or other petroleum hydrocarbons other than petroleum and petroleum products contained within regularly operated motor vehicles, and (d) polychlorinated biphenyls (PCB), radon gas, urea-formaldehyde, asbestos and lead.

RELEASE OF LIABILITY. In the event that PG&E's structures or equipment installed on the License Area are damaged in any way, irrespective of the cause, excepting City's willful misconduct or sole negligence, City shall not be liable therefor and PG&E shall have no claim or right against City for the costs of repair or replacement. This clause is intended as a complete release of liability in favor of City, including without limitation all claims whether known or unknown, liquidated or unliquidated, contingent or absolute. PG&E has knowledge of and understands the terms and effect of California Civil Code Section 1542, and voluntarily waives the benefits of the terms of that statute. California Civil Code Section 1542, states in full:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

Initials: CITY: Km

PG&E: _____

During the term of this Letter Agreement, PG&E has the exclusive right to use the License Area, along with the right of ingress and egress thereto. PG&E further has the right to erect and maintain temporary fencing and gates with a locking device to enclose the License Area. PG&E shall remove such fencing and gates when PG&E has demobilized and vacated the License Area. The license granted hereunder will be irrevocable during the term of PG&E's Activities, except in the case of a material breach of the terms of this agreement.

In consideration for your grant of a temporary license to the License Area under the terms and conditions stated herein, PG&E hereby agrees to pay you one thousand four hundred dollars (\$1,400.00) per week as compensation for use of the License Area. The fee is due and payable 30 days after PG&E demobilizes and vacates the License Area.

In exercising the rights granted under this Letter Agreement, PG&E shall comply with all laws, ordinances, and regulations pertaining to its use of the License Area. PG&E agrees to indemnify and hold you harmless against any losses, costs, damages, expenses or liabilities connected with or resulting from the injury to or death of any person, or damage to or loss or destruction of any property arising out of PG&E's negligent acts or omissions under this Letter Agreement.

PG&E shall, at its sole cost and expense, maintain and restore the License Area, including any areas of ingress and egress, in as good of condition as it was prior to PG&E's use of the area. All existing improvements located on the Property are to be protected in place, unless otherwise agreed to by you, PG&E shall make no alteration, improvements, borings, installations or fixtures to the Property without prior written consent by you

INSURANCE. Prior to the beginning of and throughout the duration of this Letter Agreement, PG&E will maintain and comply with the Insurance Requirements as set forth in Exhibit B. PG&E will insure the City against claims for injuries to persons or damages to property which may arise from or in connection with PG&E's use of the Easement Area or any acts of PG&E, PG&E's agents, representatives, employees or subcontractors.

If the terms and conditions of this Letter Agreement are acceptable to you, please acknowledge your agreement by signing this letter. Please return a copy to vfb3@pge.com. A fully-executed copy of this Letter Agreement will be provided to you for your records.

If you have any questions regarding this Letter Agreement, please contact me at 415-973-8030. Thank you for your willingness to work with PG&E during the Accelerated Wildfire Risk Reduction Program. Your support is truly making a difference in the community.

Sincerely,

Vanessa Brown
EMAP Base Camp Consultant

I/we hereby accept the foregoing terms and conditions of this Letter Agreement, and acknowledge that
I/we am/are duly authorized to execute this Letter Agreement:

PROPERTY OWNER

By: Kathryn Murtz for
Bonnie Lipscomb, Economic Development Director
City of Santa Cruz

Date: Sept 7, 2018

PACIFIC GAS AND ELECTRIC COMPANY

By: [Signature] MARK BOZARD
Pacific Gas and Electric

Date: 09-08-18



July 2017

EXHIBIT A

License Agreement for Base Camp and Staging Area Between Pacific Gas and Electric Company and The City of Santa Cruz

Scotts Valley Skypark
361 Kings Valley Road
Scotts Valley, CA 95066



License Area - 8.25
Acres



EXHIBIT B: INSURANCE REQUIREMENTS

CERTIFICATE REQUIREMENTS

The City will be issued a Certificate of Insurance (a Memorandum of Understanding will not be accepted) with the following minimum requirements:

- Certificate(s) will show current policy number(s) and effective dates,
- Coverage and policy limits will meet, or exceed, requirements below,
- The Certificate Holder will be City of Santa Cruz, Risk Management, 877 Cedar St., Suite 100, Santa Cruz, CA 95060,
- Certificate will be signed by an authorized representative,
- An endorsement will be provided to show the City, its officers, officials, employees, and volunteers as additional insureds.

MINIMUM SCOPE AND LIMITS OF INSURANCE

PG&E acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. The City will be entitled to coverage for the highest limits maintained by PG&E. Coverage will be at least as broad as:

- **COMMERCIAL GENERAL LIABILITY (CGL): \$2,000,000 PER OCCURRENCE**
Proof of coverage for \$1 Million per occurrence including products and completed operations, property damage, bodily injury, personal and advertising injury will be provided on Insurance Services Office (ISO) Form CG 00 01 covering CGL. If a general aggregate limit applies, either the general aggregate limit will apply separately to this project/location or the general aggregate limit will be at least twice the required occurrence limit.
- **PROFESSIONAL LIABILITY (ERRORS AND OMISSIONS): \$1,000,000 PER OCCURRENCE OR CLAIM, \$2,000,000 AGGREGATE.**
PG&E will maintain insurance appropriate to its business operations; with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after date of completion of the services under this Agreement.
- **AUTOMOBILE LIABILITY:**
Proof of coverage for \$1,000,000 provided on ISO Form Number CA 00 01 covering any auto (Code 1), or if PG&E has no owned autos, hired, (Code 8) and non-owned autos (Code 9), per accident for bodily injury and property damage.
- **WORKERS' COMPENSATION AS REQUIRED BY THE STATE OF CALIFORNIA, WITH STATUTORY LIMITS, AND EMPLOYER'S LIABILITY INSURANCE: \$1,000,000 per accident for bodily injury or disease. Must include a waiver of subrogation.**

OTHER INSURANCE PROVISIONS

The insurance policies are to contain, or be endorsed to contain, the following provisions:

- **ADDITIONAL INSURED STATUS**
The City, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of PG&E including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage will be provided in the form of an endorsement to PG&E's insurance at least as broad as ISO Form CG 20 10 11 85, or if not available, through the addition of both CG 20 10 and CG 20 37 (if a later edition is used).
- **PRIMARY COVERAGE**
For any claims related to this agreement, PG&E's insurance coverage will be **primary** insurance as respects the City, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents, or volunteers will be excess of PG&E's insurance and will not contribute with it.
- **NOTICE OF CANCELLATION**

Each insurance policy required above shall state that the coverage shall not be canceled, except with notice to the City.

- **WAIVER OF SUBROGATION**
PG&E hereby grants to the City a waiver of any right to subrogation which any insurer of said PG&E may acquire against the City by virtue of the payment of any loss, including attorneys' fees, under such insurance. PG&E agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer. The Worker's Compensation policy will be endorsed with a waiver of subrogation in favor of the City for all work performed by the PG&E and its employees.
- **DEDUCTIBLES AND SELF-INSURED RETENTIONS**
Any deductibles or self-insured retentions must be declared to and approved by the City. The City may require PG&E to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or the City of Santa Cruz.
- **ACCEPTABILITY OF INSURERS**
Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.
- **CLAIMS MADE POLICIES-** If Professional Liability (Errors & Omissions), Pollution Liability and/or Asbestos Pollution Liability or other policies are written on claims-made forms:
 1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
 2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
 3. If coverage is canceled or non-renewed, and not *replaced with another claims-made policy form with a Retroactive Date* prior to the contract effective date, the PG&E must purchase "extended reporting" coverage for a minimum of *five (5)* years after completion of contract work.
- **VERIFICATION OF COVERAGE**
PG&E will furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning will not waive the PG&E's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
- **SUBCONTRACTORS**
PG&E shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and PG&E shall ensure that City is an additional insured on insurance required from subconsultant/subcontractors.
- **SPECIAL RISKS/CIRCUMSTANCES**
City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

EXHIBIT B

Wildfire Risk Reduction – Scotts Valley Airport

AMENDMENT TO LETTER AGREEMENT

This is an Amendment to that certain Letter Agreement dated September 6, 2018 between PACIFIC GAS AND ELECTRIC COMPANY ("PG&E") and CITY OF SANTA CRUZ ("Owner") regarding property in the County of Santa Cruz, State of California, identified as Assessor's Parcel Numbers 022-721-02-000 at 361 Kings Village Road, Scotts Valley CA 95066 ("the Premises").

PG&E and Owner agree to the following changes and/or additions to the Letter Agreement.

1. **Term:** Commencing on September 10, 2018 and terminating on December 10, 2018.
2. **Compensation:** PG&E hereby agrees to pay you one thousand four hundred dollars (\$1,400.00) per week as compensation for use between September 10 through November 12, 2018 and two thousand five hundred dollars (\$2,500.00) per week as compensation for use between November 12 and December 10, 2018.
3. **Dust Suppression and Environmental Controls:** PG&E hereby agrees to comply with existing and future County Environmental Health conditions related to PG&E's use of the site during the specified term.

In all other respects, the terms of the Letter Agreement shall remain in effect.


OWNER

By: 

Date: 11-16-18

Its: City Manager

Pacific, Gas and Electric Company


Emad Gholami, Pacific Gas and Electric

Date: 11/16/2018

EXHIBIT A

361 Kings Valley Road, Scotts Valley CA 95066

 License Area – 8.25 Acres



EXHIBIT C

From: [Bonnie Lipscomb](#)
To: [Kathryn Mintz](#)
Subject: FW: PG&E - Scott's Valley Basecamp
Date: Friday, January 18, 2019 2:50:18 PM
Attachments: [image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[image007.png](#)

So you have his contact as well. Different person at PG&E than I have spoken to before. He will be sending us a check for \$2500 for latest use and revising the use agreement for us.

From: Gholami, Emad [mailto:E1GU@pge.com]
Sent: Friday, January 18, 2019 11:23 AM
To: Bonnie Lipscomb <blipscomb@cityofsantacruz.com>
Subject: PG&E - Scott's Valley Basecamp

Good Morning Bonnie,

My name is Emad Gholami and I work with the land department of PG&E and I am currently filling in for Elouise Del Rosario and Mark ApHugh who are both out of town.

I just left you a voicemail to confirm that PG&E did get back on the Scott's Valley basecamp this week and are there today clearing the pathways and the groundings while we help restore the remaining outages.

I spoke with a field crew member today and he confirmed they got on **01/15/19** and should be off again on **01/20/19** barring any new storm developments.

I am assuming the City of Santa Cruz will provide an invoice like we have previously done?

Please let me know if you have any additional questions or concerns and thank you again for your assistance and support to help our customers in Santa Cruz.

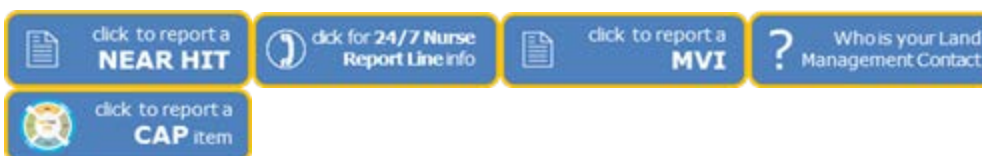
Emad

Emad Gholami | Land Acquisition Supervisor | Land Management – Bishop Ranch

Pacific Gas and Electric Company

6111 Bollinger Canyon Road, 3410-G | San Ramon, CA 94583

Office: 925-328-5130 | Fax: 925-328-5189 | Cell: 925-519-613 4



Safety is a proactive approach to controlling exposures for yourself and others. We care about our employees, contractors and the public.

EXHIBIT D



CITY OF SANTA CRUZ
FINANCE DEPARTMENT
877 CEDAR ST
SUITE 100
SANTA CRUZ, CA 95060
(831) 420-5070

INVOICE

036164



PACIFIC GAS & ELECTRIC COMPANY
MARK APHUGH, LAND CONSULTANT
245 MARKET STREET
SAN FRANCISCO, CA 94105

INV DATE	03/04/2019
ACCOUNT	006214
AMT DUE	18,214.28
DUE DATE	04/03/2019

MAKE CHECKS PAYABLE TO THE CITY OF SANTA CRUZ

DESCRIPTION	AMOUNT
Miscellaneous Billings Temporary License for Use of Skypark Scotts Valley Airport, 361 Kings Village Road, Scotts Valley, CA. 12/10/18-01/27/19 - 7 weeks @ \$2,500/wk = \$17,500 01/28/19-01/29/19 - 2 days @ \$357.14/day = \$714.28 (Pre-petition Rents)	18,214.28
CUSTOMER ACCOUNT NO. 006214	AMOUNT DUE 18,214.28

PLEASE REMIT TO: CITY OF SANTA CRUZ
877 CEDAR ST, SUITE 100
SANTA CRUZ, CA 95060